

CHINA'S GREEN ENERGY AND ENVIRONMENTAL POLICIES

HEARING

BEFORE THE

U.S.-CHINA ECONOMIC AND SECURITY
REVIEW COMMISSION

ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

April 8, 2010

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UNITED STATES-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION
WASHINGTON : May 2010

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The Commission's full charter is available at www.uscc.gov.

May 3, 2010

The Honorable ROBERT C. BYRD
President Pro Tempore of the Senate, Washington, D.C. 20510
The Honorable NANCY PELOSI
Speaker of the House of Representatives, Washington, D.C. 20515

DEAR SENATOR BYRD AND SPEAKER PELOSI:

We are pleased to transmit the record of our April 8, 2010 public hearing on “*China’s Environmental and Green Energy Policies*.” The Floyd D. Spence National Defense Authorization Act (amended by Pub. L. No. 109-108, section 635(a)) provides the basis for this hearing.

Assistant Secretary of Energy for Policy and International Affairs, **David Sandalow**, provided the Commission with the Obama Administration’s perspective. Assistant Secretary Sandalow noted that China is investing heavily in clean energy and unless the United States makes similar investments, “there is every chance that China ... will shoot right past [the United States] in the years ahead.” Nonetheless, Assistant Secretary Sandalow affirmed that the two countries should leverage each other’s comparative advantage and cooperate more broadly on clean energy technologies. Submitting written testimony, Assistant Administrator for the Office of International and Tribal Affairs at the U.S. Environmental Protection Agency, **Michelle DePass**, detailed numerous policies that Beijing is using to improve China’s environmental standards. However, she cautioned that insufficient access to reliable environmental data in China makes it difficult to confirm the effectiveness of these policies.

Expert witnesses detailed China’s recent domestic environmental and clean energy policies. Dr. **Jennifer Turner**, Director of the China Environment Forum at the Woodrow Wilson Center, testified that Beijing has enacted policies which “focus on the renewable and energy efficiency sectors to help supply the country’s huge energy consumption, stem severe air pollution problems, and create jobs.” According to Mr. **Thomas Howell**, Partner at Dewey & LeBoeuf LLP, many of these measures are “buy China” policies that prevent U.S. companies from entering one of the world’s most dynamic markets for green products. Dr. **Stephen Hammer**, Executive Director of the Energy Smart Cities Initiative for the Joint U.S.-China Collaboration on Clean Energy, stated that despite these strong national policies, many local authorities in China have difficulties implementing them due to a lack of financing and a heavy emphasis on ensuring economic growth.

Witnesses also provided testimony on China’s activities in international climate negotiations, such as the Copenhagen climate summit in December 2009. Mr. **Rob Bradley**, Director of the International Climate Policy Initiative at the World Resources Institute, noted that although the media focused on disagreements between the United States and China at Copenhagen, U.S. negotiators actually achieved some meaningful goals. Namely, China for the first time committed to a numerical target for reducing carbon emissions and agreed to join an international system for reporting emissions. Dr. **Elizabeth Economy**, Director of Asia Studies at the Council

on Foreign Relations, asserted that at Copenhagen the Chinese government was “uncertain as to whether it should seek to retain its position as a large, successful developing country or assert its role as a global power.” However, Ms. **Angel Hsu**, a Doctoral candidate at Yale University who attended the summit, stated, “China is still looking, first and foremost, toward the United States for leadership on climate change.”

Panelists agreed that despite differences on policies, the United States and China should cooperate on mutually beneficial clean energy programs. Mr. **Dennis Bracy**, Chief Executive Officer of the US-China Clean Energy Forum, testified that the United States should implement a comprehensive plan of action for cooperating on clean energy projects. Mr. **L. Cartan Sumner, Jr.**, Vice President of International Government Relations at Peabody Energy, highlighted what the private sector is doing to foster this type of cooperation, such as the clean coal projects that his company is supporting in China. Mr. **Albert Tramposch**, Deputy Executive Director of the American Intellectual Property Law Association, asserted that when engaging in cooperation, the U.S. government and industry must promote “adequate and effective protection ... of [U.S.] intellectual property rights.”

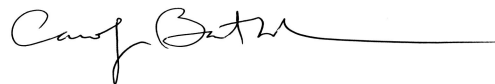
Thank you for your consideration of this summary of the Commission’s hearing. We note that the prepared statements submitted by the witnesses are now available on the Commission’s website at www.uscc.gov. The full transcript of the hearing will be available shortly.

Members of the Commission are also available to provide more detailed briefings. We hope these materials will be helpful to the Congress as it continues its assessment of U.S.-China relations and their impact on U.S. security. As required by our statutory mandate, the Commission will examine in greater depth these and other issues in its Annual Report that will be submitted to Congress in November 2010. Should you have any questions, please ask your staff to contact Jonathan Weston, the Commission's Congressional Liaison, at (202) 624-1487.

Sincerely yours,



Daniel M. Slane
Chairman



Carolyn Bartholomew
Vice Chairman

cc: Members of Congress and Congressional Staff

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